

CHAPTER 31
ECONOMIC DEVELOPMENT REGION INITIATIVES

261—31.1(81GA, HF868, HF809) Purpose. Department resources shall be available to assist an economic development region that has established a focused economic development effort. This effort shall include a regional development plan relating to one or more of the following areas:

1. Regional marketing strategies.
2. Development of the information solutions sector.
3. Development of the advanced manufacturing sector.
4. Development of the life sciences and biotechnology sector.
5. Development of the insurance or financial services sector.
6. Physical infrastructure including, but not limited to, horizontal infrastructure, water and sewer infrastructure, and telecommunications infrastructure.
7. Entrepreneurship.

261—31.2(81GA, HF868, HF809) Types of assistance. The following types of assistance are governed by the divisions of this chapter:

1. Establishment of economic development regions.
2. Economic development revolving loan funds.
3. Business accelerators.
4. Small business development center assistance.
5. Iowa business resource assistance.

261—31.3(81GA, HF868, HF809) Financial assistance. For the fiscal year period beginning July 1, 2005, and ending June 30, 2015, \$1 million is made available each fiscal year for the economic development region initiative. 261—subrule 2.4(7) describes how the \$1 million is allocated.

261—31.4(81GA, HF868, HF809) Definitions.

“Economic development region” shall consist of not less than three counties, unless two contiguous counties have a combined population of at least 300,000 based on the most recent federal decennial census.

“Economic development region revolving fund” means a fund established to benefit development efforts in an economic development region.

“Regional economic development revenue sharing pilot project” means a pilot project for one or more approved regions.

DIVISION I
ECONOMIC DEVELOPMENT REGION INITIATIVE—FINANCIAL ASSISTANCE

261—31.5(81GA, HF868, HF809) Uses of funds under the economic development region initiative. Financial assistance from the grow Iowa values fund may be used for the following:

31.5(1) Physical infrastructure. The installation of physical infrastructure needs including, but not limited to, horizontal infrastructure, water and sewer infrastructure, and telecommunications infrastructure, related to the development of fully served business and industrial sites by one or more of the region’s economic development partners or for the installation of infrastructure related to a new business location or expansion. Match is one dollar of local funds for every two dollars received from the grow Iowa values fund. The economic development region must demonstrate all of the following:

a. The ability to provide matching moneys on a basis of dollars received from the grow Iowa values fund.

b. The commitment of the specific business partner including, but not limited to, a letter of intent defining a capital commitment or a percentage of equity.

c. That all other funding alternatives have been exhausted.

31.5(2) *Regional economic development revenue sharing pilot project.* Establishment and administration of a regional economic development revenue sharing pilot project for one or more regions.

31.5(3) *Entrepreneurial initiative.* Establishment of an approved entrepreneurial initiative. Match is one dollar of local funds for every two dollars received from the grow Iowa values fund.

31.5(4) *Business closure due to consolidation.* An existing business threatened with closure due to a potential consolidation to an out-of-state location. The economic development region may apply for financial assistance from the grow Iowa values fund for the purchase, rehabilitation, or marketing of a building that has become available due to the closing of an existing business as a result of a consolidation to an out-of-state location. Match is one dollar of local funds for every three dollars received from the grow Iowa values fund.

31.5(5) *Business succession assistance program.* Match is one dollar of local funds for every two dollars received from the grow Iowa values fund.

31.5(6) *Unique or innovative regional projects.* Match is on a one-to-one basis.

261—31.6(81GA,HF868,HF809) Application process. The department shall develop and make available a standardized application. Applications will be accepted on an open- window basis until funds are exhausted.

261—31.7(81GA,HF868,HF809) Reporting requirements. Award recipients in economic development regions shall provide an annual report to the department outlining how the funds were invested in Iowa's future. The department shall develop the reporting format for all required annual reports.

DIVISION II ECONOMIC ENTERPRISE AREAS

261—31.8(81GA,HF868,HF809) Description. An "economic enterprise area" means a designated "economic development region" that shall consist of at least one county containing no city with a population of more than 23,500 and shall meet at least three of the following criteria:

1. A per capita income of 80 percent or less than the national average.
2. A household median income of 80 percent or less than the national average.
3. Twenty-five percent or more of the population of the economic enterprise area with an income level of 150 percent or less of the United States poverty level as defined by the most recently revised poverty income guidelines published by the United States Department of Health and Human Services.
4. A population density in the economic enterprise area of less than ten people per square mile.
5. A loss of population as shown by the 2000 certified federal census when compared with the 1990 certified federal census.
6. An unemployment rate greater than the national rate of unemployment.
7. More than 20 percent of the population of the economic enterprise area consisting of people over the age of 65.

261—31.9(81GA, HF868, HF809) Funding.

31.9(1) Approved areas may apply for up to \$75,000 each fiscal year until June 30, 2015. The actual amount available each year will be established by the department in the annual allocation of funds for economic development region initiatives described in 261—paragraph 2.4(7)“b.” No more than ten economic development regions may be approved by IDED as economic enterprise areas.

31.9(2) In order to receive financial assistance under this division, an economic enterprise area must demonstrate the ability to provide local matching moneys on a basis of a one dollar contribution of local moneys for every three dollars received from the grow Iowa values fund.

261—31.10(81GA, HF868, HF809) Eligible use of funds. Funds available for economic enterprise areas may be used as follows:

1. Economic development-related strategic planning and marketing for the region as a whole.
2. Economic development of fully served business sites.
3. The construction of speculative buildings on a fully served lot.
4. The rehabilitation of an existing building to marketable standards.

261—31.11(81GA, HF868, HF809) Application process. The department shall develop and make available a standardized application form. The application process shall be conducted on an open-window, ongoing basis until all funds are obligated.

261—31.12(81GA, HF868, HF809) Reporting requirements. Award recipients shall provide an annual report to the department outlining how funds were invested in Iowa’s future.

DIVISION III
BUSINESS ACCELERATORS

261—31.13(81GA, HF868, HF809) Description and purpose. The department shall establish and administer a business accelerator program to provide financial assistance for the establishment and operation of a business accelerator for technology-based, value-added agricultural, information solutions, or advanced manufacturing start-up businesses or for a satellite of an existing business accelerator. The program shall be designed to foster the accelerated growth of new and existing businesses through the provision of technical assistance.

261—31.14(81GA, HF868, HF809) Definitions.

“*Business accelerator*” means an organization that fosters the accelerated growth of new and existing Iowa businesses.

261—31.15(81GA, HF868, HF809) Requirements and qualifications for business accelerator entities. Business accelerator applicants must meet all of the following criteria:

1. The business accelerator must be a not-for-profit organization affiliated with an area chamber of commerce, a community or county organization, or an economic development region.
2. The geographic area served by a business accelerator must include more than one county.
3. The business accelerator must possess the ability to provide service to a specific type of business as well as to meet the broad-based needs of other types of start-up entrepreneurs.
4. The business accelerator must possess the ability to market business accelerator services in the region and the state.
5. The business accelerator must possess the ability to communicate with and cooperate with other business accelerators and similar service providers in the state.

6. The business accelerator must possess the ability to engage various funding sources for start-up entrepreneurs.
7. The business accelerator must possess the ability to communicate with and cooperate with various entities for purposes of locating suitable facilities for clients of the business accelerator.
8. The business accelerator must possess the willingness to accept referrals from the Iowa department of economic development.
9. The business accelerator must refer 20 businesses per year to the Venture Network of Iowa.

261—31.16(81GA, HF868, HF809) Other considerations. In determining whether a business accelerator qualifies for financial assistance, the department may consider any of the following:

1. The business experience of the business accelerator's professional staff.
2. The business plan review capacity of the business accelerator's professional staff.
3. The business accelerator's professional staff with demonstrated disciplines in all aspects of business experience.
4. The business accelerator's professional staff with access to external service providers including legal, accounting, marketing, and financial services.

261—31.17(81GA, HF868, HF809) Application procedures.

31.17(1) Applicants may apply on an open-window basis. A request for proposal (RFP) will be posted on IDED's Web site www.iowalifechanging.com as funding is available.

31.17(2) All requests for financial assistance must demonstrate the ability to provide matching moneys on the basis of a two dollar contribution of recipient moneys for every one dollar received in financial assistance from the department.

261—31.18(81GA, HF868, HF809) Reporting. Business accelerators receiving financial assistance under this rule must submit an annual report to IDED documenting progress.

DIVISION IV
SMALL BUSINESS DEVELOPMENT CENTERS

261—31.19(81GA, HF868, HF809) Small business development center assistance. Beginning on July 1, 2005, and ending June 30, 2015, the department shall transfer \$350,000 to Iowa State University of Science and Technology for the purpose of providing financial assistance to establish small business development centers in areas of the state previously served by a small business development center and to maintain existing small business development centers. Financial assistance for a small business development center shall not be awarded unless the city or county where the center is located demonstrates the ability to obtain local matching funds on a dollar-for-dollar basis. An award of financial assistance to a small business development center under this rule shall not exceed \$20,000.

DIVISION V
IOWA BUSINESS RESOURCE CENTERS

261—31.20(81GA, HF868, HF809) Iowa business resource centers. The department may use up to \$50,000 each fiscal year beginning July 1, 2005, and ending June 30, 2015, for the purposes of providing training, materials, and assistance to Iowa business resource centers.

These rules are intended to implement 2005 Iowa Acts, House File 868, sections 8, 9, 10, 11 and 12, and House File 809, section 19(6).

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